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TO RUEHC/SECSTATE WASHDC 9624
INFO RUCPDOC/DEPT OF COMMERCE WASHDC
RUETIAA/DIRNSA FT GEORGE G MEADE MD
RUEKJCS/SECDEF WASHDC
RHMFIUU/FBI WASHDC
RUEAIIA/CIA WASHDC

UNCLAS ZAGREB 000648

SENSITIVE SIPDIS

PLEASE PASS TO EUR/SCE AND PM/DTCC BLUE LANTERN COORDINATOR

E.O. 12958: N/A TAGS: <u>ETTC</u> <u>KOMC</u> <u>HR</u>

SUBJECT: BLUE LATERN: POST-SHIPMENT END USE CHECK ON

LICENSE 050156644

REF: STATE 89198

- 11. (SBU) In an October 14 meeting between poloff and officials from the Croatian MOD, Zdravko Milak from the Material Resources Department confirmed that the Ministry had ordered and received the 4 Sig Model 556 rifles and 20 magazines mentioned in reftel. He noted that the MOD had not yet received the 1,000 rounds of ammunition due to delays on getting approval for the ammunition to leave the United States. Milak said the Ministry had ordered the rifles to do a live firing demonstration sometime likely in November and provided poloff with copies of the relevant paper work. Milak also said that the MOD did not pay any brokering fees for the items. Milak noted that due to recent changes in the Croatian market, more Croatian firms would likely have a role in importing defense articles for the first time. On October 29, the MFA's International Security Department also reported that it had no negative information about Dentonex D.O.O.
- 12. (SBU) In an October 23 meeting with Nevenko Galic, General Manager of Dentonex, he confirmed that the company had received the 4 Sig Model 556 riles and the 20 magazines and then passed them to the MOD. He also said that there were transportation problems with the ammunition on the U.S. side, but that it should be arriving soon. Dentonex was founded in 1994 and Galic was the sole owner. After the meeting, Galic provided paper work to demonstrate that he had passed the weapons to the MOD, which matched up with the papers from the Ministry. He said that Dentonex would participate in a test of the rifles for the MOD planned for the end of November and that his firm had not received or paid any commissions during the course of this transaction. Galic also said that he would contact post when Dentonex received the ammunition from the United States.
- 13. (SBU) COMMENT: Post did not discover information while responding to this request that raised concerns about the entities involved. Croatia, as a NATO ally and ISAF contributor, has a close security relationship with the United States. The Croatian MOD has high standards of professionalism and enjoys a strong track record of properly handling U.S. military items and technology.